



Early Journal Content on JSTOR, Free to Anyone in the World

This article is one of nearly 500,000 scholarly works digitized and made freely available to everyone in the world by JSTOR.

Known as the Early Journal Content, this set of works include research articles, news, letters, and other writings published in more than 200 of the oldest leading academic journals. The works date from the mid-seventeenth to the early twentieth centuries.

We encourage people to read and share the Early Journal Content openly and to tell others that this resource exists. People may post this content online or redistribute in any way for non-commercial purposes.

Read more about Early Journal Content at <http://about.jstor.org/participate-jstor/individuals/early-journal-content>.

JSTOR is a digital library of academic journals, books, and primary source objects. JSTOR helps people discover, use, and build upon a wide range of content through a powerful research and teaching platform, and preserves this content for future generations. JSTOR is part of ITHAKA, a not-for-profit organization that also includes Ithaka S+R and Portico. For more information about JSTOR, please contact support@jstor.org.

DOMINICAN REPUBLIC

BY JACOB H. HOLLANDER,

Professor of Political Economy, Johns Hopkins University, Baltimore, Maryland.

The Dominican Republic, like the imperfectly developed states of Central and South America, is in urgent need of economic enterprise and financial investment. The land is rich in natural resources that await only the touch of energy and capital to pour forth streams of wealth for the enrichment of the island and the betterment of the world. The primary requisites are, of course, stable government, political quiet and social tranquillity. The history of the last ten years shows unmistakeably that these are possibilities definitely within reach, and that the coming decade is likely to witness a final passing of the old turbulence and disquiet.

Beyond these primary requisites one of the essential needs of the republic is an improved system of currency. The currency situation in the Dominican Republic is unlike that of any other country in Central or South America. The only money in circulation is United States currency. This is at once the medium of exchange, the measure of value, and the standard of deferred payment. In years past, various forms of Dominican currency, metallic and paper, were emitted, but all of these have been demonetized and withdrawn from circulation. Certain banking institutions have been vested with powers of note-issue, but the conditions attending the creation and activity of these institutions have not been such as to secure public confidence in the notes and it has been practically impossible to put them into circulation.

The currency problem of the Dominican Republic is thus largely one of inelasticity, the sources of supply being the United States or Porto Rico. It is inconvenient, expensive and inadequate to meet the varying currency requirements of an agricultural country by remittances back and forth.

The sufficient remedy for this condition would be the establishment of a branch of a member bank of the Federal Reserve banking system in Santo Domingo city with agencies in three or four of the other large cities of the republic. The note-issuing power of such a member bank would make it possible for the circulation of the Island to be expended at crop moving time and to be contracted thereafter. It would stabilize exchange between the Dominican Republic and the United States, as well as with other foreign countries. Finally, it would prove of great convenience to the United States customs receivership in making remittances to the United States pursuant to the terms of the convention of 1907.